

EXHIBIT K

1997 and 2000 Grace Asbestos PI Claims Sample Design, Methodology & Results

A random sample of claims was selected from the Grace claims database for the years 1997 and 2000 and the paper documentation submitted to Grace was reviewed to complete the data collection. The sample design was a stratified random sample with the strata being defined by year received by Grace. The following table shows the number of claims in the population and sample for the two years in question.

<i>Year Received</i>	<i>Number of Claims</i>	
	<i>In the Population</i>	<i>In the Sample</i>
<i>1997</i>	30,075	500
<i>2000</i>	48,190	500
<i>Total</i>	78,265	1,000

With each stratum, the 500 sampled claims were selected using the following method. First a number was assigned to each claim using the following:

$$\text{Number} = 10 \times \text{Status} + \text{Injury} + \text{rand}(), \text{ where}$$

Status = 1 if the claim is pending or 2 if it is closed;

Injury = 1 if mesothelioma, 2 if lung cancer, 3 if other cancer, 4 if unspecified cancer, 5 if asbestosis, 6 if pleural, 7 if asbestos-related, 8 if unknown, and 9 if missing; and rand() is the Excel function that returns a uniform random number between 0 and 1.

The integer part of Number indicates the claim status and injury; the fractional part is a random number. Next, the claims were sorted into ascending order according to Number. This has the effect of grouping all the claims with the same status and injury together in adjacent rows (the integer part of Number) and then randomly shuffling the claims within the same status-injury block (the fractional part of Number).

The 500 sampled claims were selected from the sorted claims by using a method that is named “systematic selection after a random start.” To explain the method with simple numbers, assume that a sample of 100 is to be taken from a population of 1,000 items—a sampling rate of 1 of every 10. The skip interval of 10 is the ratio of the population size to the sample size = $1,000/100 = 10$. The starting point is selected at random from the first 10 items. If the random start is 4, then the 4th, 14th, 24th, ..., 94th items would be selected for the sample. If the population size is not evenly divisible by the sample size, then the method must be adjusted somewhat to deal with fractional skip intervals and starting points.

Using Excel, systematic selection after a random start was used to select the 500 claims from the population of 30,075 claims received in 1997 and 500 from the 48,190 claims received in 2000. Because the claims are grouped by status and injury, but randomly shuffled within the same status and injury, this selection method insures that the distribution of status and injury in the population is faithfully represented in the sample. In effect, the sampling method used here implements a stratified random sample using the same sampling rate from each stratum, where the strata are defined by status and injury.

Matching of Grace Claims to Claims Received by the Manville Trust and the Center for Claims Resolution

In order to augment the information about the claims received by Grace, Kirkland and Ellis secured the permission of the Manville Personal Injury Settlement Trust and the Center for Claims Resolution to match the Grace claims to the Manville and CCR claim databases. This section described how the matches were performed.

The same “SSN matching followed by unique name matching” methodology was independently used to match the Grace claims to the Manville and CCR databases. The steps in this procedure are:

1. Match Grace claims with SSNs to the other’s claims with SSNs; set the matched claims aside as SSN matches.
2. Using Grace claims without SSNs or claims with SSNs that did not match in Step 1, find the last names + first names that occur once (Grace unique names) and the last+first names that occur more than once (Grace multiply used names); consider the multiply-used names to be non-matches.
3. Using the other’s claims without SSNs or claims with SSNs that did not match, find the last+first names that occur once (unique names) and the last+first names that occur more than once (multiply-used names); consider the multiply-used names to be non-matches.
4. Match the Grace unique names to the other’s unique names.
5. Total matches include SSN matches and unique name matches.

The following table presents the results of the matching methodology applied to the entire claims databases.

**Result of Matching the Grace Claims Database to the
Manville Trust and CCR Claims Databases**

Key	Matching Variable Status	Grace	Manville	Grace	CCR
a	Total Claims	504,623		504,623	
b	Loss of Consortium Claims	159,518		159,518	
c = a - b	Population of Claims	345,105	542,725	345,105	526,473
d	No SSN or Invalid SSN	174,462	3,381	174,462	99,969
e = c - d	Claims with SSNs	170,643	539,344	170,643	426,504
f	SSN Matches	124,978	125,913	147,947	147,947
g = e - f	SSN Non-Matches	45,665	413,431	22,696	278,557
h = d + g	Claims With Names, Not Matching by SSN	220,127	416,812	197,158	378,526
i	Claims Associated With Names Used 2+ Times or Missing a First or Last Name	69,716	150,927	100,930	146,777
j = h - i	Claims for Name Matching	150,411	265,885	96,228	231,749
k	Name Matches	69,214	71,172	44,548	44,548
l = j - k	Non-Matches	81,197	194,713	51,680	187,201
m = f + k	Total Matches	194,192	197,085	192,495	192,495
n = c - m	Total Non-Matches	150,913	345,640	152,610	333,978
o = m/c	Match Rate	56.3%	36.3%	55.8%	36.6%

The surplus of Manville SSN and unique name matches over the corresponding Grace figures is due to multiple claims for the same injured party in the Manville database. Some of these claims are rejections and some claims for a malignancy subsequent to a claim for a non-malignancy.

The following table summarizes the match results to Grace claims by Manville, CCR, and Manville and CCR combined.

<i>In the Population of all Grace Claims</i>			
Matched to Manville	Matched to CCR		Total
	Yes	No	
Yes	158,565	35,627	194,192
No	33,930	116,983	150,913
Total	192,495	152,610	345,105
<i>Have at least one match</i>			228,122
<i>Have no match</i>			116,983
<i>Total</i>			345,105
Match Rate			66.1%

In all, 66% of the Grace claims have a match to Manville or CCR claims. The following table presents the matching results for the sample of 1,000 claims.

<i>In The Sample of 1,000</i>		
1997	Only Mvl	55
	Only CCR	45
	Both	277
	Any Match	377
	No Match	123
	Match Rate	75%
2000	Only Mvl	60
	Only CCR	79
	Both	192
	Any Match	331
	No Match	169
	Match Rate	66%
Total	Only Mvl	115
	Only CCR	124
	Both	469
	Any Match	708
	No Match	292
	Match Rate	71%

Analysis of Claimed Medical Conditions and Diagnostic Medical Test Results

Any ILO rating data and PFT data for the 500 sample claims in each year that is available in the Grace or Manville claims submissions, along with the claimed medical condition in the Grace, CCR or Manville claim information, was then compiled as follows:

Comparison of Sample Data Between 1997 and 2000 for Certain Medical Tests

Source	Test	Units	1997	2000
WRG	ILO Profusion	% \geq 1/1	45%	25%
		No. with an ILO	190	114
WRG	TLC	Mean % Pred.	84.7	91.2
		No. with TLC	72	39
	DLCO	Mean % Pred.	65.4	67.6
		No. with DLCO	75	43
	FVC	Mean % Pred.	77.8	79.4
		No. with FVC	90	52
	FEV	Mean % Pred.	75.8	75.1
		No. with FEV	86	50
Manville	TLC	Mean % Pred.	89.9	85.4
		No. with TLC	62	40
	DLCO	Mean % Pred.	64.4	59.9
		No. with DLCO	50	31
	FVC	Mean % Pred.	72.7	73.3
		No. with FVC	40	23
	TLC	Mean % Pred.	87.5	88.3
		No. with TLC	114	71
WRG>Mvl*	DLCO	Mean % Pred.	66.8	64.8
		No. with DLCO	108	67
	FVC	Mean % Pred.	76.1	78.1
		No. with FVC	116	66
WRG	TLC	% < 80	36%	21%
		No. with TLC	72	39
	DLCO	% < 70	80%	63%
		No. with DLCO	75	43
	FVC	% < 80	49%	52%
		No. with FVC	90	52
	FEV	% < 80	55%	50%
		No. with FEV	86	50
WRG>Mvl*	TLC	% < 80	23%	11%
		No. with TLC	114	71
	DLCO	% < 70	56%	40%
		No. with DLCO	108	67
	FVC	% < 80	38%	41%
		No. with FVC	116	66

(*) Use WRG data if available, otherwise use Manville data.

**Comparison of Sample Data Between 1997 and 2000
of Injury and the Presence and Results of Certain
Diagnostic Tests**

Measure	Year Received	
	1997	2000
<i>Malignancies</i>	33	28
<i>Non-malignancies</i>	381	320
<i>Unknown</i>	86	152
<i>Total</i>	500	500
 <i>% Malignancies (of Known)</i>	 92.0%	 92.0%
 <i>Non-malignancies Submitting ILOs</i>		
<i>Number</i>	189	112
<i>Percent</i>	49.6%	35.0%
 <i>Non-malignancies Submitting PFTs</i>		
<i>Number</i>	87	52
<i>Percent</i>	22.8%	16.3%
 <i>Non-malignancies Submitting Both</i>		
<i>Number</i>	51	36
<i>Percent</i>	13.4%	11.3%
 <i>ILO \geq 1/1 and at Least Mild Impairment (AMA)</i>		
<i>Number</i>	13	9
<i>Percent</i>	3.4%	2.8%

Occupational Exposure Information

The occupational exposure information in the matched claims files was then compiled. Any claimant with work experience in the construction industry was classified as a construction worker. For claimants with no construction work history, the industry with longest duration as identified in the Grace claim, or in the CCR claim if no industry was identified in the Grace claim, or in the Manville claim if both Grace and CCR industry identifications were missing, was used to identify the applicable industry for the claimant, with the following results for those claimants for whom an industry could be identified:

<u>Grace Sample Claim Distribution By Percentage Of Known Industries</u>		
<u>Industry</u>	<u>1997</u>	<u>2000</u>
Iron/Steel Aluminum Production	25%	18%
Non-asbestos products Mfg.	9%	20%
Petro/Chemical Mfg.	14%	7%
Utility/Power Plants	9%	5%
Shipbuilding	4%	8%
Railroad	2%	6%
Auto Maintenance	2%	6%
Tire/Rubber Mfg.	0%	5%
Marine	1%	1%
Non-Grace Asb. Mining or Mfg.	1%	1%
Other Inapplicable Indus.	17%	12%
<u>Totals</u>	86%	88%